

1-Hour Legal Audit & Action Plan

Want to know if you are complying with employment laws? This checklist will give you a quick assessment of where you stand and help you take the first steps to get or stay in compliance.

Checklist 1: Core Legal Concepts and Administration

Employee vs. Independent Contractor

Make sure all workers are classified correctly as employees or independent contractors (freelancers). Employees are under the direction and control of the company; contractors are responsible only for results, and are not under company direction and control.

In compliance: YES NO Action Plan: _____

Exempt vs. Non-Exempt

Employee status is determined by job duties and salary per definitions of the Fair Labor Standards Act (FLSA). Exempt employees are paid by salary; non-exempt employees are paid by the hour, must track all hours worked and are entitled to overtime.

In compliance: YES NO Action Plan: _____

Minimum Wage

All workers are paid at the higher of the Federal or State minimum wage per FLSA.

In compliance: YES NO Action Plan: _____

Overtime

All non-exempt employees must be paid 1.5x their regular rate after 40 hours worked/week (some states have additional OT entitlements).

In compliance: YES NO Action Plan: _____

State/Municipal Laws

All states must follow Federal laws at a minimum. Some states/municipalities have laws that provide additional worker benefits or require additional employer compliance. Typical areas are paid and unpaid leave, minimum wage, wage and paid time off notifications to employees, break periods, and employment of minors.

In compliance: YES NO Action Plan: _____

Employment Law Posters – Federal/State/Local

Post conspicuously in each facility. May be obtained through payroll provider or other vendors. Can be downloaded for free from www.dol.gov or state department of labor.

In compliance: YES NO Action Plan: _____

Employee Files

Ensure files are kept confidential and maintained in secure location. Must have 3 separate files: employee file, I-9/E-Verify file, and medical file.

In compliance: YES NO Action Plan: _____

Checklist 2: Employee Handbook

Employee Handbook

Ensure handbook is legally compliant and distributed to all employees and new hires.

Company Culture: Company-specific information, such as Mission Statement, Company History, Products and Services, "what we believe," "who we are," "how we work".

Diversity: EEO, Harassment, ADA statements.

Employment: Employee Classification Categories, Progressive Discipline, and Separation of Employment.

Workplace Safety: Drug-free, Bullying, Violence, Smoke-free, Safety.

Workplace Expectations: Standards of Conduct, Confidentiality, Conflict of Interest, Attendance, Dress Code, Social Media Use, Electronic Communication and Internet Use.

- Compensation:** Performance and Salary Reviews, Payment of Wages, Time Reporting, Meal/Rest Periods, Overtime Pay, Travel and Reimbursement, etc.
- Time Off/Leaves of Absence:** Holiday Pay, Vacation, Sick Leave, PTO, FMLA, Personal Leave of Absence, etc. Note that some states/municipalities have legally mandated paid/unpaid sick and personal leave.
- Benefits:** Medical, Dental, FSA, Life Insurance, Disability, 401k plan, Tuition Assistance, Employee Assistance Program, etc.
- Employment at Will statement:** Legally clarifies that handbook is not an implied contract.
- Handbook Acknowledgment page:** Verifies employee has received handbook.

In compliance: YES NO Action Plan: _____

Checklist 3: Management Training

Managers often need training in employment laws to better support company policies and strengthen their skills.

- Interviewing training:** Reduces risk of asking “illegal” questions, and provides tools to effectively interview and evaluate candidates.
- Harassment/Diversity:** Provides knowledge and tools to recognize and address harassment.

Training: YES NO Action Plan: _____

Have questions? Contact us for a no-obligation discussion of your policies and practices to protect your business.



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